

**Bulletin Number:** MSA 12-10

**Distribution:** Bridges Administrative Manual (BAM) Holders

**Issued:** March 30, 2012

**Subject:** Estate Recovery for Supplemental Security Income Related Medicaid Programs

**Effective:** May 1, 2012

**Programs Affected:** Supplemental Security Income related Medicaid programs

Policy has been developed by the Third Party Liability section regarding the criteria for recovering monies from the estates of Medicaid recipients. Estate Recovery is a federal requirement for all recipients who meet the criteria outlined below. This policy also establishes criteria for exemption from Estate Recovery.

**Criteria for recovery:**

- Recipients were 55 years of age or older when they receive services covered by Michigan Medicaid (excluding Medicaid cost sharing); and
- Recovery from estate is cost effective; and
- There is no surviving spouse, no surviving disabled adult child, or a dependent child turns 21 years of age.

**Criteria for exemption:**

- Undue hardship

**Definitions of terms used for Estate Recovery:**

**Undue Hardship** is when the estate is the sole income producing asset of the survivors, is a home of modest value, or recovery would cause the survivor to become or remain eligible for Medicaid.

A **home of modest value** is when a home is valued at 50% or less of the average price of homes in the county where the home is located.

**Resources** are all income and assets of a person.

A **survivor** is an heir who does not predecease the deceased beneficiary.

Under this policy there are criteria for referring divestments by a beneficiary to the Attorney General's office for legal action.

**Manual Maintenance**

Retain this bulletin until it has been incorporated into the Bridges Eligibility Manual.

**Questions**

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at [ProviderSupport@michigan.gov](mailto:ProviderSupport@michigan.gov). When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

**Approved**

A handwritten signature in black ink that reads "Stephen Fitton". The signature is written in a cursive style with a large initial 'S'.

Stephen Fitton, Director  
Medical Services Administration